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Order 2000-1-4  
Served: January 7, 2000



UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C.

Issued by the Department of Transportation  
on the 4<sup>th</sup> day of January, 2000

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Agreements adopted by the Tariff :  
Coordinating Conferences of the : Docket OST-99-6560-2  
International Air Transport Association : Docket OST-99-6604-2  
relating to passenger fares : R-1 through R-7  
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ORDER

Various members of the International Air Transport Association (IATA) have filed two agreements with the Department under section 41309 of Title 49 of the United States Code and Part 303 of the Department's regulations. The agreements were adopted at a meeting of the TC31 Passenger Tariff Coordinating Conference held in Geneva during October 12-23, 1999.1/

The agreements propose a variety of changes in existing fares between points in the North/Central Pacific and points in the Western Hemisphere. Changes affecting fares to and from U.S. points include increasing Circle Pacific APEX fares from the U.S. by nine percent; revising add-on fares for points within China, except for Hong Kong SAR, in order to reflect changes in Chinese domestic fares and to introduce new add-on amounts for additional points in China to facilitate fare construction; reducing fares from Thailand to levels in effect on March 31, 1999, to reflect the Thai government's disapproval of proposed increases for April 1, 1999; and adjusting seasonal definitions for special (discount) fares from Guangzhou to reflect dates for the Chinese New Year holiday period.

We will approve the agreements, subject, where applicable, to conditions previously imposed. Based on the information submitted and other relevant material, we conclude that the agreements will not result in fares that are unlawful or injurious to competition in the markets at issue.

Pursuant to authority assigned by the Department's Regulations, 14 CFR 385.13:

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1/ IATA memorandum PTC31 N&C/CIRC 0101), Docket OST-99-6560; and IATA memoranda PTC31 N&C/CIRC 0103-0105, Docket OST-99-6604. The agreements were filed with the Department on November 29 and December 7, 1999, respectively.

incorporated in the agreements in Dockets OST-99-6560 and OST-99-6604 and which have direct application in foreign air transportation as defined by the Code, to be adverse to the public interest or in violation of the Code, provided that approval is subject, where applicable, to conditions previously imposed:

<u>Docket</u>	<u>IATA</u>	<u>Title</u>	<u>Application</u>
<u>Docket</u>	<u>No</u>		
OST-99-6560	002bb	TC31 Circle Pacific Special Amending Resolution (Expedited)	3/1

<u>Docket</u>	<u>IATA</u>	<u>Title</u>	<u>Application</u>
<u>Docket</u>	<u>No</u>		
R-1	015v	TC31 North and Central Pacific Add-on Amounts (Except in USA) Areawide (Expedited)	3/1
R-2	002j	TC31 North and Central Pacific Special Amending Resolution between TC3 (Except Japan) and North America, Caribbean (Expedited)	3/1
R-3	077p	TC31 North and Central Pacific APEX Fares between China, Excluding Hong Kong SAR, and North America, Caribbean (Expedited)	3/1
R-4	077r	TC31 North and Central Pacific One Way APEX Fares between China, Excluding Hong Kong SAR, and North America, Caribbean (Expedited)	3/1
R-5	001b	TC31 North and Central Pacific Special Effectiveness Resolution (Tie-in) between Japan and North America, Caribbean (Expedited)	3/1
R-6	002rr	TC31 North and Central Pacific Special Amending Resolution from Japan to North America, Caribbean (Expedited)	3/1
R-7	073hh	TC31 North and Central Pacific Intermediate Class APEX Fares from Japan to Hawaii (Expedited)	3/1

2. These agreements are a product of the IATA tariff conference machinery, which the Department found to be anticompetitive but nevertheless approved on foreign policy grounds by Order 85-5-32, May 6, 1985. The Department found that important transportation needs were not obtainable by reasonably available alternative means having materially less anticompetitive effects. Antitrust immunity was automatically conferred upon these conferences because, where an anticompetitive agreement is approved in order to attain other objectives, the conferral of antitrust immunity is mandatory under the Code.

Order 85-5-32 contemplates that the products of the fare and rate conferences will be subject to individual scrutiny and will be approved, provided they are of a kind specifically sanctioned by Order 85-5-32 and are not adverse to the public interest or in violation of the Code. As with the underlying IATA conference machinery, upon approval of a conference agreement, immunity for that agreement must be conferred under the Code. Consequently, we will grant antitrust immunity to the agreements in Dockets OST-99-6560 and OST-99-6604 as set forth in finding paragraph 1 above, subject, where applicable, to conditions previously imposed.

**ACCORDINGLY,**

We approve and grant antitrust immunity to the agreements contained in Dockets OST-99-6560 and OST-99-6604, as set forth in finding paragraph one above, subject, where applicable, to conditions previously imposed.

Persons entitled to petition the Department for review of this order, under 14 CFR 385.30, may file such petitions within ten days after the date of service of this order.

This order shall be effective and become the action of the Department of Transportation upon expiration of the above period, unless within such period a petition for review is filed or the Assistant Secretary for Policy and International Affairs gives notice that he will review this order on his own motion. such actions are subject to judicial review under 49 USC 46110.

**By:**

Paul L. Gretch  
Director, Office of International Aviation

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